

STATE WATER RESOURCES CONTROL BOARD
BOARD MEETING SESSION – DIVISION OF FINANCIAL ASSISTANCE
APRIL 4, 2017

ITEM 5

SUBJECT

CONSIDERATION OF A PROPOSED RESOLUTION APPROVING THE ALLOCATION OF UP TO \$2,000,000 IN ADDITIONAL FUNDS FROM THE CLEANUP AND ABATEMENT ACCOUNT (CAA) TO TULARE COUNTY (COUNTY) FOR CONTINUING BOTTLED WATER DELIVERIES TO QUALIFIED, DISADVANTAGED HOUSEHOLDS ENROLLED IN THE COUNTYWIDE BOTTLED WATER PROGRAM (CBWP)

DISCUSSION

The historic California drought conditions have significantly impacted the County on a broad scale. There continues to be widespread water outages and contamination of drinking water supplies in the region. Pursuant to the \$4 million in CAA emergency funding appropriated by Senate Bill (SB) 103 (Stats. 2014, Ch. 2), on July 3, 2014, the County received a \$500,000 grant to establish the CBWP to provide bottled water to disadvantaged households that have contamination in their private water supply wells. In 2015, Assembly Bill (AB) 91 (Stats. 2015, Ch. 1) amended the Budget Act of 2014 to appropriate \$15 million from the CAA to the State Water Resources Control Board (State Water Board) to address drought-related drinking water emergencies or threatened emergencies, without regard to whether the need for emergency drinking water is a result of the discharge of waste. Subsequently, the County received additional emergency drinking water funding from the CAA to continue the CBWP. The table below summarizes the emergency funding previously awarded to the County for the CBWP and number of household enrolled over time:

Funding Source	Date Awarded	Funding Agency	Project Description	Estimated Cumulative Number of Households Enrolled	Funding Amount
CAA-(SB 103)	7/3/2014	State Water Board	Establish the CBWP for disadvantaged households with contaminated water wells	400	\$500,000
CAA-(AB 91)	8/18/2015 Resolution No. 2015-0056	State Water Board	Continuation of CBWP and expansion of the program to include residents who are experiencing drought related emergencies	1,000	\$750,000
CAA-(SB 103)	2/24/2016	State Water Board	Repurposing of unused portions of the County's Schools Bottled Water Program (SBWP) to the CBWP	1,500	\$725,000
CAA-(AB91)	04/19/2016 Resolution No. 2016-0023	State Water Board	Continuation of the CBWP	1,500	\$1,455,000

As of February 14, 2017, the CBWP has enrolled approximately 1,853 households (8,438 residents), and the County continues to receive about 10 to 20 new requests for enrollment every week. The program provides one-gallon water bottles at a rate of about one-half a gallon per person per day. The total cost of bottled water deliveries is about \$150,000 per month, which has increased since the program began due to a substantial rise in both fuel costs and demand for bottled water. The County has stated that, of the previously approved funding, there is approximately \$232,000 remaining. On February 28, 2017, the County approved significant changes to the CBWP in an effort to reduce costs and increase accountability for enrollees. The changes approved by the County are as follows:

- Future bottled water deliveries will be limited to owner-occupied households only;
- New enrollment in the CBWP has been halted;
- Existing owner-occupied households will be required to reapply for bottled water with proof of ownership and residency;
- All enrollees will be notified that:
 - The bottled water under the CBWP will end no later than March of 2019 or whenever the funding is exhausted; and
 - They need to plan for a permanent solution to their drinking water issues;
- If additional funds are allocated to the program, bottled water delivery will transition from 6-pack of one-gallon water bottles to five-gallon water bottles for **an estimated 5730%** ~~estimated~~ cost savings; and
- Monthly bottled water deliveries will be limited to no more than 50 gallons per household.

Many communities throughout the County have received state and federal funding for implementation of a permanent solution. County staff continues to work closely with the local Office of Emergency Services and nonprofit organizations for updates on households that have achieved a permanent solution so that they can be terminated from the CBWP. However, there are some households that are located in rural parts of the County that have limited options for a permanent solution, including drilling a new well or point-of-use treatment. Although there are drought-assistance funds under the State Water Board's Household and Small Water System Drought Assistance Program authorized by AB 91 and [Resolution No. 2015-0078](#), there is not a specific funding source allocated to implement permanent solutions for individual households with contaminated water supplies.

The Budget Act of 2016, SB 826 (Stats. 2016, Ch. 23), appropriated \$15 million from the CAA for addressing drought-related drinking water emergencies or threatened emergencies. On July 19, 2016, the State Water Board adopted [Resolution No. 2016-0039](#), which approved and delegated authority for administering the \$15 million in SB 826 drought-related drinking water emergency funding. The Emergency Drinking Water Funding Guidelines, adopted by the State Water Board on August 16, 2016 in [Resolution No. 2016-0043](#), authorized the Division of Financial Assistance's (Division) Deputy Director or designee to approve or deny emergency drinking water projects of \$500,000 or less, but provide that the State Water Board may make project-specific exceptions. To date, the State Water Board has provided \$3,430,000 to the County to implement the CBWP.

The County is requesting up to an additional \$2,000,000 in CAA SB 826 funds. With the implementation of the County approved changes to the CBWP, the requested funds are expected to continue the program through March of 2019.

Emergency drinking water funding for the CBWP has exceeded \$500,000. Therefore, any additional funding must be approved by the State Water Board.

POLICY ISSUE

Should the State Water Board:

1. Approve the allocation of up to an additional \$2,000,000 from the SB 826 appropriation to the County for the CBWP?
2. Authorize the Deputy Director of the Division to execute and amend funding agreements with the County for the CBWP?

FISCAL IMPACT

As of March 3, 2017, \$2,699,196 has been committed from the CAA SB 826 emergency drinking water funding. In addition to this funding request, the Division is currently evaluating \$252,000 in pending projects. Assuming funds will be committed for these pending projects, the remaining SB 826 emergency drinking water funding balance is approximately \$12,048,804. The remaining balance will be further reduced to approximately \$10,048,804 if this funding request is approved by the State Water Board.

REGIONAL WATER BOARD/DISTRICT OFFICE IMPACT

The Division of Drinking Water (Tulare District Office) is supportive of the proposed additional funding for the County to continue the CBWP.

HUMAN RIGHT TO WATER

The project activities proposed under this funding request are consistent with the established policy of the state recognizing the human right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes (human right to water; Water Code section 106.3). The proposed project activities are also consistent with [Resolution No. 2016-0010](#), in which the State Water Board adopted the human right to water as a core value and top priority. As directed by the State Water Board in Resolution No. 2016-0010, staff has determined that the proposed project, providing additional funding to the County for continuing the CBWP, will support the human right to water by providing bottled water to disadvantaged households in the County that have a drought-related drinking water emergency, including drinking water supply contamination that is exacerbated by the drought.

STAFF RECOMMENDATION

Staff recommends that the State Water Board adopt the proposed Resolution.

State Water Board action on this item will assist the Water Boards in reaching Goal 4 of the Strategic Plan Update: 2008-2012, to comprehensively address water quality protection and restoration, and the relationship between water supply and water quality, and describe the connections between water quality, water quantity, and climate change, throughout California's water planning processes.